

STATE OF ALASKA

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

DIVISION OF PUBLIC ASSISTANCE

SARAH PALIN, GOVERNOR

FAMILY NUTRITION PROGRAM - WIC
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February 27, 2008

Dear WIC Vendor Manager:

Enclosed are the following:

- **February 2008 WIC Vendor Newsletter** – Please post in a location where it can be read by all cashiers and other staff who work with the WIC program. The newsletter contains WIC training material. Additional copies are available at www.hss.state.ak.us/dpa/programs/nutri/WIC.
- **Price Sheets - Due March 31, 2008** – The completed Price Sheet is due to the State WIC Office no later than March 31, 2008. Please note that this Price Sheet contains the contract Similac infant formulas. Please remember that the milk and cheese section of the Price Sheet asks for your “least expensive” brand and price for each milk or cheese product. The Price Sheet should reflect your store’s current “regular” shelf prices for WIC items in stock, (not sale prices). Corporate offices may provide the current pricing for all of their stores, but prices must be submitted on this form to facilitate data entry. (Please verify if your corporate office is providing prices for your store, as penalty points may be assessed if your store’s prices are not received by the deadline.)

The Price Sheet also requests information about your store’s total retail sales and food sales for the most recent 12 month period available, as well as freight delivery method(s) and primary wholesaler. This information is kept confidential and used only to assist us in implementing federal cost containment provisions. Price sheets may be mailed to the address above, or faxed to (907) 465-3416. The information needs to be written in ink and printed clearly.

- **Current Required Minimum Stock of WIC Foods** (rev. date 09/07)
- **Alaska WIC Food Lists** - Copies of the current **March 1, 2007** food list for cashiers to keep at their check stands. These copies have been updated with pictures of the most common Similac formulas from the WIC contract with Ross Products. (Effective date 10/01/07)

Reminders & Updates:

1) Not to Exceed Amounts

- **What is the \$200 limit amount printed on WIC warrants?**

WIC warrants have “**Not to exceed \$200**” printed in the upper left corner above the signature line. Any warrant deposited by a vendor that exceeds the \$200 limit will not be paid. However, please note that even though all WIC warrants have the “Not to exceed \$200” amount printed on the front, every type of WIC warrant also has a maximum authorized payment amount that is based upon the specific WIC foods listed on the warrant and the Peer Group to which the vendor is assigned. For example, a WIC warrant that lists 2 dz eggs and 2 - 46 oz cans of juice will have a higher authorized payment amount for a small store in Kotzebue than for a large store in Anchorage, due to regional factors that affect pricing.

- **Exceeds Authorized Amount or “NTE”**

Warrants rejected by the bank with an error code “exceeding authorized amount” refer to the warrant price exceeding the amount authorized for that specific type of WIC warrant for the vendor’s Peer Group, not the \$200 limit printed on the warrant. Warrants with total amounts higher than the “Not to Exceed” price (or “NTE”) for the vendors peer group and the specific type of warrant, (which depends on the food items listed), will be rejected but KeyBank will retain the information. On a weekly basis, KeyBank will process payment of these warrants at the maximum allowable reimbursement level (MARL) by means of an ACH (Automated Clearing House) transaction to the bank specified for the vendor. The vendor and/or corporate office will also receive a report listing the warrants that were rejected for exceeding the NTE and included in the ACH payment. We will continue to monitor the deviation amount to see if it supports price differences within each peer group.

- **Other Reasons Warrants May be Higher than the “NTE”**

Items listed on each warrant must be rung up separately and the appropriate total price written on the warrant; if additional items, the wrong items (such as powder formula instead of concentrate) or items from other WIC warrants are included in the total, the warrant may be rejected for exceeding the maximum allowable payment amount. Please review warrant processing procedures with your cashiers.

- **MARLs**

Maximum allowable reimbursement levels (MARLs) for each FI type are based on a rolling three month average and are recalculated every two weeks. They are not published or printed on the warrants. As a result of your feedback, on February 19, the MARL will increase from 3.5 to 4 standard deviations above the peer group average, to further allow for price variations and recent increased shipping costs.

2) WIC Warrants Rejected as VOID

Starting in March, WIC warrants voided by Local Agencies staff will no longer be rejected by KeyBank. If you have received warrants with a reject reason as “VOID Do Not Redeposit”, please use the “Request for Reimbursement” form and follow the procedures outlined in the packet sent to vendors dated December 13, 2007. If you need additional copies contact WIC staff at (907) 465-3100.

3) Timeline to Deposit WIC Warrants

The period of time for vendors to deposit WIC warrants accepted at their stores was shortened effective September 1, 2007 in order to comply with federal requirements. **Vendors will have sixty (60) days from the first Valid Date printed on the warrant to deposit WIC warrants.** The date by which a warrant must be deposited is automatically calculated based on the valid dates and is printed on the warrant below the box for the Vendor Number Stamp.

4) Pink Dollar Change Slips and Monthly Reports are no longer required:

Due to the warrant processing changes being implemented in November, vendors are no longer required to submit Dollar Change Slips to document the reasons for changes to the dollar amounts on WIC warrants. However, State WIC staff recommends that managers review or monitor changes made by cashiers to amounts or date of transaction on WIC warrants. If changes are made in a way that does not follow required procedures, the warrants will be rejected. For instance, writing over a “3” to change it to an “8” is considered an “alteration” and the warrant will not be paid. The correct procedure is:

- Draw a line through the incorrect amount so it may still be read;
- Clearly write the correct amount next to it;
- Be sure the correction is initialed by the cashier or manager.

Please review warrant processing procedures with your cashiers. It is important for correct procedures to be followed in order to minimize the number of warrants returned due to errors. For more detailed instructions refer to attached newsletter and packets previously mailed to vendors dated December 13, 2007.

5) Vendor Manual

The revised vendor manual will be posted on the web site in March. As soon as funding permits, we will print and distribute revised Vendor Manuals to all authorized WIC vendors.

If you have any questions, or need supplies or other assistance, please contact WIC staff at (907) 465-3100. Thank you for partnering with us to improve the health and nutrition of WIC participants in Alaska.

Sincerely,

Diane VanEpps
WIC Vendor Coordinator

Enclosures